CHAPTER 37

## **CHAPTER 37**

(HB 305)

AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

- → Section 1. KRS 11.200 is amended to read as follows:
- (1) There is created the Commission on Small Business Advocacy. The commission shall be a separate administrative body of state government within the meaning of KRS 12.010(8).
- (2) It shall be the purpose of the Commission on Small Business Advocacy to:
  - (a) Address matters of small business as it relates to government affairs;
  - (b) Promote a cooperative and constructive relationship between state agencies and the small business community to ensure coordination and implementation of statewide strategies that benefit small business in the Commonwealth;
  - (c) Coordinate and educate the small business community of federal, state, and local government initiatives of value and importance to the small business community;
  - (d) Create a process by which the small business community is consulted in the development of public policy as it affects their industry sector;
  - (e) Aid the small business community in navigating the regulatory process, when that process becomes cumbersome, time consuming, and bewildering to the small business community; and
  - (f) Advocate for the small business, as necessary when regulatory implementation is overly burdensome, costly, and harmful to the success and growth of small businesses in the Commonwealth.
- (3) The Commission on Small Business Advocacy shall consist of thirteen (13) members:
  - (a) Two (2) members representing each congressional district; and
  - (b) One (1) at-large member.
- (4) All members shall be appointed by the Governor for a term of four (4) years, except that the original appointments shall be staggered so that three (3) appointments shall expire at one (1) year, three (3) appointments shall expire at two (2) years, and three (3) appointments shall expire at three (3)years, and four (4) appointments shall expire at four (4) years from the dates of initial appointment.
- (5) The Governor shall appoint the chair and vice chair of the commission from the appointed membership.
- (6) The commission shall meet quarterly and at other times upon call of the chair or a majority of the commission.
- (7) A quorum shall be a majority of the membership of the commission.
- (8) Members of the commission shall serve without compensation but shall be reimbursed for their necessary travel expenses actually incurred in the discharge of their duties on the commission, subject to Finance and Administration Cabinet administrative regulations.
- (9) The commissioner of the Department for Business Development shall be the administrative head and chief executive officer of the commission. The secretary of the Cabinet for Economic Development shall have authority to hire staff, contract for services, expend funds, and operate the normal business activities of the commission.
- (10) The Commission on Small Business Advocacy shall be administratively attached to the Office of Entrepreneurship within the *Cabinet for Economic Development*[Department for Business Development].
  - → Section 2. KRS 12.020 is amended to read as follows:

Departments, program cabinets and their departments, and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office, or any other form of organization shall be included in or attached to the department or program cabinet in which they

are included or to which they are attached by statute or statutorily authorized executive order; except in the case of the Personnel Board and where the attached department or administrative body is headed by a constitutionally elected officer, the attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of the department or administrative body.

- I. Cabinet for General Government Departments headed by elected officers:
  - (1) The Governor.
  - (2) Lieutenant Governor.
  - (3) Department of State.
    - (a) Secretary of State.
    - (b) Board of Elections.
    - (c) Registry of Election Finance.
  - (4) Department of Law.
    - (a) Attorney General.
  - (5) Department of the Treasury.
    - (a) Treasurer.
  - (6) Department of Agriculture.
    - (a) Commissioner of Agriculture.
    - (b) Kentucky Council on Agriculture.
  - (7) Auditor of Public Accounts.
- II. Program cabinets headed by appointed officers:
  - (1) Justice and Public Safety Cabinet:
    - (a) Department of Kentucky State Police.
    - (b) Department of Criminal Justice Training.
    - (c) Department of Corrections.
    - (d) Department of Juvenile Justice.
    - (e) Office of the Secretary.
    - (f) Office of Drug Control Policy.
    - (g) Office of Legal Services.
    - (h) Office of the Kentucky State Medical Examiner.
    - (i) Parole Board.
    - (j) Kentucky State Corrections Commission.
    - (k) Office of Legislative and Intergovernmental Services.
    - (l) Office of Management and Administrative Services.
    - (m) Department of Public Advocacy.
  - (2) Education and Workforce Development Cabinet:
    - (a) Office of the Secretary.
      - 1. Governor's Scholars Program.
      - 2. Governor's School for Entrepreneurs Program.
    - (b) Office of Legal and Legislative Services.

- 1. Client Assistance Program.
- (c) Office of Communication.
- (d) Office of Budget and Administration.
  - 1. Division of Human Resources.
  - 2. Division of Administrative Services.
- (e) Office of Technology Services.
- (f) Office of Educational Programs.
- (g) Office for Education and Workforce Statistics.
- (h) Board of the Kentucky Center for Education and Workforce Statistics.
- (i) Board of Directors for the Center for School Safety.
- (j) Department of Education.
  - 1. Kentucky Board of Education.
  - 2. Kentucky Technical Education Personnel Board.
- (k) Department for Libraries and Archives.
- (l) Department of Workforce Investment.
  - 1. Office for the Blind.
  - 2. Office of Vocational Rehabilitation.
  - 3. Office of Employment and Training.
    - a. Division of Grant Management and Support.
    - b. Division of Workforce and Employment Services.
    - c. Division of Unemployment Insurance.
- (m) Foundation for Workforce Development.
- (n) Kentucky Office for the Blind State Rehabilitation Council.
- (o) Kentucky Workforce Investment Board.
- (p) Statewide Council for Vocational Rehabilitation.
- (q) Unemployment Insurance Commission.
- (r) Education Professional Standards Board.
  - 1. Division of Educator Preparation.
  - 2. Division of Certification.
  - 3. Division of Professional Learning and Assessment.
  - 4. Division of Legal Services.
- (s) Kentucky Commission on the Deaf and Hard of Hearing.
- (t) Kentucky Educational Television.
- (u) Kentucky Environmental Education Council.
- (3) Energy and Environment Cabinet:
  - (a) Office of the Secretary.
    - 1. Office of Legislative and Intergovernmental Affairs.
    - 2. Office of General Counsel.

- 3. Office of Administrative Hearings.
- 4. Mine Safety Review Commission.
- 5. Kentucky State Nature Preserves Commission.
- 6. Kentucky Public Service Commission.
- (b) Department for Environmental Protection.
  - Office of the Commissioner.
  - 2. Division for Air Quality.
  - 3. Division of Water.
  - 4. Division of Environmental Program Support.
  - 5. Division of Waste Management.
  - 6. Division of Enforcement.
  - 7. Division of Compliance Assistance.
- (c) Department for Natural Resources.
  - 1. Office of the Commissioner.
  - 2. Division of Technical and Administrative Support.
  - 3. Division of Mine Permits.
  - 4. Division of Mine Reclamation and Enforcement.
  - 5. Division of Abandoned Mine Lands.
  - 6. Division of Oil and Gas.
  - 7. Division of Mine Safety.
  - 8. Division of Forestry.
  - 9. Division of Conservation.
  - 10. Office of the Reclamation Guaranty Fund.
- (d) Department for Energy Development and Independence.
  - 1. Division of Efficiency and Conservation.
  - 2. Division of Renewable Energy.
  - 3. Division of Biofuels.
  - 4. Division of Energy Generation Transmission and Distribution.
  - 5. Division of Carbon Management.
  - 6. Division of Fossil Energy Development.
- (4) Public Protection Cabinet.
  - (a) Office of the Secretary.
    - 1. Office of Communications and Public Outreach.
    - 2. Office of Legal Services.
      - a. Insurance Legal Division.
      - b. Charitable Gaming Legal Division.
      - c. Alcoholic Beverage Control Legal Division.
      - d. Housing, Buildings and Construction Legal Division.
      - e. Financial Institutions Legal Division.

- (b) Kentucky Claims Commission.
- (c) Kentucky Boxing and Wrestling Commission.
- (d) Kentucky Horse Racing Commission.
  - 1. Office of Executive Director.
    - a. Division of Pari-mutuel Wagering and Compliance.
    - b. Division of Stewards.
    - Division of Licensing.
    - d. Division of Enforcement.
    - e. Division of Incentives and Development.
    - f. Division of Veterinary Services.
- (e) Department of Alcoholic Beverage Control.
  - 1. Division of Distilled Spirits.
  - 2. Division of Malt Beverages.
  - Division of Enforcement.
- (f) Department of Charitable Gaming.
  - 1. Division of Licensing and Compliance.
  - 2. Division of Enforcement.
- (g) Department of Financial Institutions.
  - 1. Division of Depository Institutions.
  - 2. Division of Non-Depository Institutions.
  - 3. Division of Securities.
- (h) Department of Housing, Buildings and Construction.
  - 1. Division of Fire Prevention.
  - 2. Division of Plumbing.
  - 3. Division of Heating, Ventilation, and Air Conditioning.
  - 4. Division of Building Code Enforcement.
- (i) Department of Insurance.
  - 1. Division of Insurance Product Regulation.
  - 2. Division of Administrative Services.
  - 3. Division of Financial Standards and Examination.
  - 4. Division of Agent Licensing.
  - 5. Division of Insurance Fraud Investigation.
  - 6. Division of Consumer Protection.
  - 7. Division of Kentucky Access.
- (j) Department of Professional Licensing.
  - 1. Real Estate Authority.
- (5) Labor Cabinet.
  - (a) Office of the Secretary.

- 1. Division of Management Services.
- 2. Office of General Counsel.
  - a. Workplace Standards Legal Division.
  - b. Workers' Claims Legal Division.
- (b) Office of General Administration and Program Support for Shared Services.
  - 1. Division of Human Resource Management.
  - 2. Division of Fiscal Management.
  - 3. Division of Budgets.
  - 4. Division of Information Services.
- (c) Office of Inspector General for Shared Services.
- (d) Department of Workplace Standards.
  - 1. Division of Apprenticeship.
  - 2. Division of Occupational Safety and Health Compliance.
  - 3. Division of Occupational Safety and Health Education and Training.
  - 4. Division of Wages and Hours.
- (e) Department of Workers' Claims.
  - 1. Division of Workers' Compensation Funds.
  - 2. Office of Administrative Law Judges.
  - 3. Division of Claims Processing.
  - 4. Division of Security and Compliance.
  - 5. Division of Information Services.
  - 6. Division of Ombudsman and Workers' Compensation Specialist Services.
  - 7. Workers' Compensation Board.
- (f) Workers' Compensation Funding Commission.
- (g) Occupational Safety and Health Standards Board.
- (h) Apprenticeship and Training Council.
- (i) State Labor Relations Board.
- (j) Employers' Mutual Insurance Authority.
- (k) Kentucky Occupational Safety and Health Review Commission.
- (l) Workers' Compensation Nominating Committee.
- (6) Transportation Cabinet:
  - (a) Department of Highways.
    - 1. Office of Project Development.
    - 2. Office of Project Delivery and Preservation.
    - 3. Office of Highway Safety.
    - 4. Highway District Offices One through Twelve.
  - (b) Department of Vehicle Regulation.
  - (c) Department of Aviation.
  - (d) Department of Rural and Municipal Aid.

- 1. Office of Local Programs.
- 2. Office of Rural and Secondary Roads.
- (e) Office of the Secretary.
  - 1. Office of Public Affairs.
  - 2. Office for Civil Rights and Small Business Development.
  - 3. Office of Budget and Fiscal Management.
  - 4. Office of Inspector General.
- (f) Office of Support Services.
- (g) Office of Transportation Delivery.
- (h) Office of Audits.
- (i) Office of Human Resource Management.
- (j) Office of Information Technology.
- (k) Office of Legal Services.
- (7) Cabinet for Economic Development:
  - (a) Office of the Secretary.
    - 1. Office of Legal Services.
    - 2. Department for Business Development.
      - [a. Office of Entrepreneurship.
      - i. Commission on Small Business Advocacy.
      - b. Office of Research and Public Affairs.
      - c. Bluegrass State Skills Corporation.]
    - 3. Department for Financial Services [Office of Financial Services].
      - a. Kentucky Economic Development Finance Authority.
      - b. Finance and Personnel Division [Division of Finance and Personnel].
      - c. IT and Resource Management Division [Division of Network Administration].
      - d. Compliance Division.
      - e. Incentive *Administration*[Assistance] Division.
      - f. Bluegrass State Skills Corporation.
    - 4. Office of Marketing and Public Affairs.
      - a. Communications Division.
      - b. Graphics Design Division.
    - 5. Office of Workforce, Community Development, and Research.
    - 6. Office of Entrepreneurship.
      - a. Commission on Small Business Advocacy.
- (8) Cabinet for Health and Family Services:
  - (a) Office of the Secretary.
  - (b) Office of Health Policy.
  - (c) Office of Legal Services.

- (d) Office of Inspector General.
- (e) Office of Communications and Administrative Review.
- (f) Office of the Ombudsman.
- (g) Office of Finance and Budget.
- (h) Office of Human Resource Management.
- (i) Office of Administrative and Technology Services.
- (j) Department for Public Health.
- (k) Department for Medicaid Services.
- (l) Department for Behavioral Health, Developmental and Intellectual Disabilities.
- (m) Department for Aging and Independent Living.
- (n) Department for Community Based Services.
- (o) Department for Income Support.
- (p) Department for Family Resource Centers and Volunteer Services.
- (q) Kentucky Commission on Community Volunteerism and Service.
- (r) Kentucky Commission for Children with Special Health Care Needs.
- (s) Governor's Office of Electronic Health Information.
- (t) Office of Legislative and Regulatory Affairs.

## (9) Finance and Administration Cabinet:

- (a) Office of the Secretary.
- (b) Office of the Inspector General.
- (c) Office of Legislative and Intergovernmental Affairs.
- (d) Office of General Counsel.
- (e) Office of the Controller.
- (f) Office of Administrative Services.
- (g) Office of Policy and Audit.
- (h) Department for Facilities and Support Services.
- (i) Department of Revenue.
- (j) Commonwealth Office of Technology.
- (k) State Property and Buildings Commission.
- (l) Office of Equal Employment Opportunity and Contract Compliance.
- (m) Kentucky Employees Retirement Systems.
- (n) Commonwealth Credit Union.
- (o) State Investment Commission.
- (p) Kentucky Housing Corporation.
- (q) Kentucky Local Correctional Facilities Construction Authority.
- (r) Kentucky Turnpike Authority.
- (s) Historic Properties Advisory Commission.
- (t) Kentucky Tobacco Settlement Trust Corporation.
- (u) Kentucky Higher Education Assistance Authority.

- (v) Kentucky River Authority.
- (w) Kentucky Teachers' Retirement System Board of Trustees.
- (x) Executive Branch Ethics Commission.
- (10) Tourism, Arts and Heritage Cabinet:
  - (a) Kentucky Department of Tourism.
    - 1. Division of Tourism Services.
    - 2. Division of Marketing and Administration.
    - 3. Division of Communications and Promotions.
  - (b) Kentucky Department of Parks.
    - 1. Division of Information Technology.
    - 2. Division of Human Resources.
    - 3. Division of Financial Operations.
    - 4. Division of Facilities Management.
    - Division of Facilities Maintenance.
    - 6. Division of Customer Services.
    - 7. Division of Recreation.
    - 8. Division of Golf Courses.
    - 9. Division of Food Services.
    - 10. Division of Rangers.
    - 11. Division of Resort Parks.
    - 12. Division of Recreational Parks and Historic Sites.
  - (c) Department of Fish and Wildlife Resources.
    - 1. Division of Law Enforcement.
    - 2. Division of Administrative Services.
    - 3. Division of Engineering, Infrastructure, and Technology.
    - 4. Division of Fisheries.
    - 5. Division of Information and Education.
    - 6. Division of Wildlife.
    - 7. Division of Marketing.
  - (d) Kentucky Horse Park.
    - 1. Division of Support Services.
    - 2. Division of Buildings and Grounds.
    - 3. Division of Operational Services.
  - (e) Kentucky State Fair Board.
    - 1. Office of Administrative and Information Technology Services.
    - 2. Office of Human Resources and Access Control.
    - 3. Division of Expositions.
    - 4. Division of Kentucky Exposition Center Operations.

## ACTS OF THE GENERAL ASSEMBLY

- 5. Division of Kentucky International Convention Center.
- 6. Division of Public Relations and Media.
- 7. Division of Venue Services.
- 8. Division of Personnel Management and Staff Development.
- 9. Division of Sales.
- 10. Division of Security and Traffic Control.
- 11. Division of Information Technology.
- 12. Division of the Louisville Arena.
- 13. Division of Fiscal and Contract Management.
- 14. Division of Access Control.
- (f) Office of the Secretary.
  - 1. Office of Finance.
  - 2. Office of Government Relations and Administration.
  - 3. Office of Film and Tourism Development.
  - 4. Kentucky Sports Authority.
- (g) Office of Legal Affairs.
- (h) Office of Human Resources.
- (i) Office of Public Affairs and Constituent Services.
- (j) Office of Creative Services.
- (k) Office of Capital Plaza Operations.
- (l) Office of Arts and Cultural Heritage.
- (m) Kentucky African-American Heritage Commission.
- (n) Kentucky Foundation for the Arts.
- (o) Kentucky Humanities Council.
- (p) Kentucky Heritage Council.
- (q) Kentucky Arts Council.
- (r) Kentucky Historical Society.
  - 1. Division of Museums.
  - 2. Division of Oral History and Educational Outreach.
  - 3. Division of Research and Publications.
  - 4. Division of Administration.
- (s) Kentucky Center for the Arts.
  - 1. Division of Governor's School for the Arts.
- (t) Kentucky Artisans Center at Berea.
- (u) Northern Kentucky Convention Center.
- (v) Eastern Kentucky Exposition Center.
- (11) Personnel Cabinet:
  - (a) Office of the Secretary.
  - (b) Department of Human Resources Administration.

- (c) Office of Employee Relations.
- (d) Kentucky Public Employees Deferred Compensation Authority.
- (e) Office of Administrative Services.
- (f) Office of Legal Services.
- (g) Governmental Services Center.
- (h) Department of Employee Insurance.
- (i) Office of Diversity, Equality, and Training.
- (j) Office of Public Affairs.
- III. Other departments headed by appointed officers:
  - (1) Council on Postsecondary Education.
  - (2) Department of Military Affairs.
  - (3) Department for Local Government.
  - (4) Kentucky Commission on Human Rights.
  - (5) Kentucky Commission on Women.
  - (6) Department of Veterans' Affairs.
  - (7) Kentucky Commission on Military Affairs.
  - (8) Office of Minority Empowerment.
  - (9) Governor's Council on Wellness and Physical Activity.
  - (10) Kentucky Communications Network Authority.
  - → Section 3. KRS 154.12-223 is amended to read as follows:
- (1) There is created within the Cabinet for Economic Development the Department for Business Development, which shall be headed by a commissioner appointed by the Governor. The department shall work with each Kentucky county in:
  - (a) [Assisting community based economic development agencies in creating and implementing their respective work plans;
  - (b) Developing cooperative interaction] Providing customer service and project management with new and [with] existing industries [and small and minority businesses and assisting export development];
  - (b) Overseeing programs and initiatives designed to support new investment, job creation, and retention across the state;
  - (c) Providing sufficient technical resources to create and maintain a database to facilitate sales transactions between Kentucky businesses; *and*
  - (d) Administering activities related to business site selection[Assisting minority businesses with federal, state, and local government agencies, regulations, and procurement programs; and
  - (e) Introducing entrepreneurs to individual investors and to investment capital firms interested in start up and early state financing].
- (2) [The Department for Business Development shall include the following divisions, each of which shall be headed by an executive director appointed by the secretary pursuant to KRS 12.050:
  - (a) The Office of Entrepreneurship shall be responsible for various forms of small business assistance, including without being limited to:
    - 1. Providing comprehensive information on all state business licenses and requirements;
    - Assisting businesses in the identification of government procurement opportunities;
    - 3. Administering the innovation assistance set forth in KRS 154.12 278; and

- Collecting, summarizing, and disseminating information helpful to small businesses, including information on:
  - (a) Market research;
  - (b) Federal, state, and local minority business programs; and
  - (c) The availability of managerial assistance.
- The Commission on Small Business Advocacy established in KRS 11.200 shall advise the office on small business needs; and
- (b) The Office of Research and Public Affairs, which shall administer the following:
  - Research activities related to strategic planning, business site selection, and existing industry;
  - Program analysis;
  - 3. Competitive analysis;
  - 4. Communications and marketing services; and
  - Event planning.
- The office shall include the Division of Database and Systems Development, which shall be headed by a director appointed by the secretary pursuant to KRS 12.050.
- (3) The following programs shall be attached to the Department for Business Development:
  - (a) The Kentucky port and river development program created by KRS 65.510 to 65.530, KRS 139.483, and KRS 154.80-100 to 154.80-130; *and*
  - (b) The Waterway Marina Development Program established by KRS 154.80-310[; and
  - (c) The Bluegrass State Skills Corporation established by KRS 154.12 205].
  - → Section 4. KRS 154.12-224 is amended to read as follows:
- (1) There is created in the Cabinet for Economic Development the *Department for*[Office of] Financial Services. The *department*[office] shall be headed by *a commissioner*[an executive director] appointed by the secretary pursuant to KRS 154.10-050. The *department*[office] shall coordinate administration and monitoring of all financial assistance, tax credit, and related programs available for business and industry and shall provide all budgeting, accounting, personnel services, and information technology necessary for proper administration of the cabinet and cabinet programs.
- (2) The *department*[office] shall include the following divisions, each of which shall be headed by a director appointed by the secretary pursuant to KRS 12.050:
  - (a) The Division of Finance and Personnel Division, which shall provide financial, personnel, facility, and contract administration services;
  - (b) The Compliance Division, which shall monitor incentives and collect and maintain data on incentives after they are awarded;
  - (c) The Incentive Administration[Assistance] Division, which shall coordinate necessary documentation and assist the Department for Business Development in preparing recommendations and finalizing documents for presentation to the authority or other body for consideration and approval; and
  - (d) The *IT and Resource Management* Division[of Network Administration], which shall coordinate *facility services and* internal information technology needs.
- (3) The *department*[office] shall [also] include the Kentucky Economic Development Finance Authority.
- (4) The department shall include the Bluegrass State Skills Corporation established by KRS 154.12-205.
- → SECTION 5. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:
- (1) There is created in the Cabinet for Economic Development the Office of Marketing and Public Affairs. The office shall be headed by an executive director appointed by the secretary pursuant to KRS 154.10-050. The office shall administer activities related to communications and marketing services.

- (2) The office shall include the following divisions, each of which shall be headed by a director appointed by the secretary pursuant to KRS 12.050:
  - (a) The Communications Division; and
  - (b) The Graphics Design Division.
- → SECTION 6. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

There is created in the Cabinet for Economic Development the Office of Workforce, Community Development, and Research. The office shall be headed by an executive director appointed by the secretary pursuant to KRS 154.10-050. The office shall administer programs to ensure that communities and workers in the Commonwealth are equipped with resources, superior training, and skills needed to compete in the global economy and partner with appropriate organizations to ensure that companies and individuals receive the resources they need to be successful. The office shall also administer research activities related to strategic planning, business site selection, existing business development, program analysis, competitive analysis, and community development.

- → SECTION 7. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:
- (1) There is created in the Cabinet for Economic Development the Office of Entrepreneurship. The office shall be headed by an executive director appointed by the secretary pursuant to KRS 154.10-050. The office shall be responsible for various forms of small business assistance, but not limited to providing customer service and project management with small and minority businesses, assisting export development, administering the innovation assistance set forth in KRS 154.12-278, introducing entrepreneurs to individual investors and to investment capital firms interested in start-up and early-stage financing, and collecting, summarizing, and disseminating information helpful to small businesses, including information on market research, federal, state, and local minority business programs, government procurement opportunities, and the availability of managerial assistance.
- (2) The office shall include the Commission on Small Business Advocacy established in KRS 11,200.
- → Section 8. The General Assembly confirms Resolution 17-04 of the Kentucky Economic Development Partnership, relating to the reorganization of the Cabinet for Economic Development, to the extent it is not otherwise confirmed or superseded by this Act, this resolution having been made by the Kentucky Economic Development Partnership under the powers and authorities granted to the partnership by KRS 154.10-010, 154.10-030, and 12.028.

Signed by Governor March 29, 2018.